



CONGRESSIONAL BUDGET OFFICE PAY-AS-YOU-GO ESTIMATE

December 17, 2001

H.R. 2883 **Intelligence Authorization Act for Fiscal Year 2002**

As cleared by the Congress on December 13, 2001

H.R. 2883 would authorize appropriations for fiscal year 2002 for intelligence activities of the U.S. government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System. The act also would make changes to other laws related to intelligence programs.

The Congressional Budget Office was unable to obtain the necessary information to estimate the costs for the entire act because parts are classified at a level above clearances held by CBO employees; however, the unclassified portion of the act would affect direct spending and receipts. CBO estimates that the pay-as-you-go costs of section 401 would be insignificant for each year. CBO cannot estimate the precise direct spending effects of section 402 because the necessary data are classified.

Section 401 would provide permanent authority for a program that authorizes the Central Intelligence Agency (CIA) to provide goods and services on a reimbursable basis. CBO estimates that the costs of providing those goods and services would be offset by the reimbursements and that this provision would have an insignificant net impact each year.

Section 402 would extend the authority of the CIA to offer incentive payments to employees who voluntarily retire or resign. The authority, which will expire on September 30, 2002, would be extended through fiscal year 2003. It also would require the CIA to make a deposit to the Civil Service Retirement and Disability Fund equal to 15 percent of final pay for each employee who accepts an incentive payment. Although the timing of agency payments and the additional benefit payments would not match on a yearly basis, CBO believes that these deposits would be sufficient to cover the cost of any long-term increase in benefits that would result from induced retirements. CBO cannot provide a precise estimate of the direct spending effects because the data necessary for an estimate are classified.

The CBO staff contact is Matthew Schmit. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.